

The Individual Investor's Guide to Personal Tax Planning 2014



We start this year's tax guide with some good news: You may have a smaller federal tax bill in 2015.

The Internal Revenue Service (IRS) adjusted several line items to account for inflation. This indexing increases the dollar amounts defining each tax bracket and the dollar amounts for various exemptions and deductions. The net result is that less of your income may be taxed. Plus, if you are just above the breakpoint for a tax bracket this year, the adjustments could potentially put you into a lower tax bracket in 2015.

The amount of any federal tax savings will vary by taxpayer. Some of you may actually pay more, particularly if your income is higher in 2015 or if there are certain exemptions or deductions that you no longer qualify for. A new penalty for not having health insurance is now in effect as well. Still, many taxpayers will get a savings next year. Wolters Kluwer, CCH estimates that a married couple with total taxable income of \$100,000 will pay \$125.50 less in income taxes in 2015 than they will on the same income in 2014, assuming they file a joint return. An unmarried person with income of \$50,000 will pay \$62.50 less in 2015 than he or she will in 2014. Keep in mind that these are just estimates. The numbers also exclude the impact of state and local taxes.

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